



Patrick W. Henning, Director

April 4, 2008

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Arnold Schwarzenegger
Governor

Mr. Jan Vogel, Executive Director
South Bay Workforce Investment Board
11539 Hawthorne Blvd., Suite 500
Hawthorne, CA 90250

Dear Mr. Vogel:

WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2007-08

This is to inform you of the results of our review for Program Year (PY) 2007-08 of the South Bay Workforce Investment Board's (SBWIB) Workforce Investment Act (WIA) 85-Percent grant program operations. We focused this review on the following areas: Board composition, One-Stop delivery system, program administration, WIA activities, participant eligibility, local program monitoring of subrecipients, grievance and complaint system, and management information system/reporting.

This review was conducted by Mr. David Hinojosa from November 5, 2007, through November 8, 2007.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by SBWIB with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2007-08.

We collected the information for this report through interviews with SBWIB representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of selected case files, SBWIB's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2007-08.

We received your response to our draft report on February 25, 2008, and reviewed your comments and documentation before finalizing this report. Because your response adequately addressed the finding cited in the draft report, no further action is required at this time. However, this issue will remain open until we verify your implementation of your stated corrective action plan during a future onsite review. Until

then, this finding is assigned Corrective Action Tracking System (CATS) number 80071.

BACKGROUND

The SBWIB was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2007-08, SBWIB was allocated: \$1,330,063 to serve 217 adult participants; \$1,283,559 to serve 273 youth participants; and \$1,155,633 to serve 227 dislocated worker participants.

For the quarter ending September 30, 2007, SBWIB reported the following expenditures for its WIA programs: \$111,987 for adult participants; \$199,219 for youth participants from subgrant R780359; and \$10,332 for dislocated worker participants. In addition, SBWIB reported the following enrollments: 111 adult participants; 119 youth participants; and 173 dislocated worker participants. We reviewed case files for 35 of the 403 participants enrolled in the WIA program as of November 5, 2007.

PROGRAM REVIEW RESULTS

While we concluded that, overall, SBWIB is meeting applicable WIA requirements concerning grant program administration, we noted an instance of noncompliance in the area of Memorandum of Understanding (MOU). The finding that we identified in this area, our recommendation, and SBWIB's proposed resolution of the finding is specified below.

FINDING 1

Requirement:

WIA 118(c)(1-2)(A)(i-iv)(B) describes the development and contents of MOUs between the Local Board and One-Stop partners.

20 CFR Section 662.200(b)(1) identifies the required one-stop partners, including entities that carry out programs authorized under Title I of WIA, serving Adults, Dislocated Workers, and Youth.

20 CFR 662.230(c) states, in part, that required One-Stop partners must enter into an MOU with the Local Board relating to the operation of the One-Stop system that meets the requirements of Section 662.300, including a description of services, how the cost of such services and the operating costs of the system will be funded, and methods for referrals.

Observation:

We observed that SBWIB does not have a signed MOU with the Carson One-Stop Career Center, who provides Adult and Youth

services. Efforts have been made to obtain the MOU, but to date, no MOU has been finalized. Subsequent to the onsite review, on January 7, 2008, SBWIB stated that the MOU should be finalized by March 2008 and emailed a draft MOU to CRD.

Recommendation: We recommended that SBWIB provide CRD with a copy of the MOU once it is signed by all required parties.

SBWIB Response: The SBWIB stated that they anticipate a signed MOU by March 31, 2008 and provided an updated draft MOU dated February 18, 2008. On March 25, 2008, SBWIB informed CRD that there were some changes to the draft MOU and that it should be signed by April 14, 2008.

State Conclusion: The SBWIB's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until SBWIB provides us with a signed copy of the final MOU. Until then, this issue remains open and has been assigned CATS number 80071.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is SBWIB's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain SBWIB's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mr. Jim Tremblay at (916) 654-7825 or Mr. David Hinojosa at (916) 653-4322.

Sincerely,



JESSIE MAR, Chief
Compliance Monitoring Section
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cc: Shelly Green, MIC 45
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